

October 27, 2004

The Chairman & Managing Director/  
Managing Director  
State Bank of India & its Associates  
All Nationalised Banks  
Jammu & Kashmir Bank Ltd.  
IDBI Bank Ltd./ HDFC Bank Ltd.  
ICICI Bank Ltd. /UTI Bank Ltd.

Dear Sir,

**Scheme for Acceptance of Income and Other Direct Taxes (Central Government) and Profession Tax/Other Taxes of State Governments through Agency Banks**

Please refer to our circular DGBA.GAD. No. H-41/42.02.001/2003-04 dated July 22, 2004 allowing agency banks to remit the taxes payable by them (Centre and States) through their own branch network. **It has since been decided that w.e.f. 1<sup>st</sup> November, 2004 agency banks should pay their own tax liabilities (TDS, Corporation Tax etc.) to Government Account through their own branches only.** Such payments should be indicated in the scrolls separately so as to distinguish them from other transactions.

2. It is reiterated that the banks are not entitled for 'Turnover Commission' on transactions of the above type as they are not doing any agency functions as our agents while making payment of their own tax liability. The banks are, therefore, requested to indicate such transactions separately without clubbing it with the claim for turnover commission from Reserve Bank Offices. The banks should furnish a certificate to the effect that own tax liabilities (TDS, Corporation Tax, etc.) paid by it has been excluded while claiming ToC.

3. We shall be glad if you will please issue necessary instructions clarifying the above position to your concerned branches.

4. Please acknowledge receipt.

Yours faithfully,

(M.T. Varghese)  
General Manager